



DE-028-65

16 March 1965

MEMORANDUM FOR: Chief, Contracts Division, OSA.
Chief, Budget & Finance Branch, OSA

SUBJECT : Contract BT-1943 with ITEK Corporation
Final Settlement

1. Transmitted herewith for final payment are necessary supporting documents evidencing final settlement of Contract BT-1943. This contract was partially terminated in October 1963 for the convenience of the Government as directed by DNRO with concurrence by Headquarters. All messages concerning the termination were previously forwarded to Headquarters. Copies of these messages are contained in the contract jacket for this contract.

2. On 12 January 1965 the Contracting Officer with Messrs. [redacted] (Headquarters Audit Representatives) negotiated with [redacted] the ITEK Representative, and arrived at final costs and fee for Contract BT-1943. Contract IK-4666 was settled at the same time. Contract BT-1943 was settled for \$10,155,136.00 costs and \$715,257.00 fee for a total CPIF price of \$10,870,393.00.

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3. FINAL SETTLEMENT AGREEMENT. Final settlement of Contract BT-1943 is contained in Amendment No. 5. Since this was a CPIF contract the fixed fee was necessarily increased as final costs were negotiated downward.

4. GOVERNMENT OWNED PROPERTY. All Government owned property has been disposed of in the best interests of the Government. James Molloy, (CWO-USAF) the Headquarters Property Representative from [redacted], handled all of the property matters arising under this contract. He was the Property Representative during the progress of the contract and he also guided the Contractor and the Contracting Officer in the final disposition of Government property. A complete IBM Property Listing of the residual inventory is contained in the property jacket of this contract. → A copy of the IBM List is also in the custody of [redacted]. Copies of Molloy's memos of 22 May, 3 April and 7 February 1964 are attached. These memos indicate that Government property under this contract was disposed of in the best interest of the Government. The original copy of each of these memos is contained in the property jacket of Contract BT-1943. Residual inventory is stored at [redacted]

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5. In addition to the foregoing the following additional documents are transmitted herewith:

- a. Auditor's memorandum of 5 February 1965 covering final settlement.
- b. Contractor's Release
- c. Contractor's Final Invoice for costs and fee
- d. Contractor's Final Report on Patents
- e. Contractor's accounting for this contract including overhead and G&A adjustment.
- f. Contractor's Accumulative Claim and Reconciliation
- g. Statement of Government Technical Representative

6. Attention of Finance Branch is invited to the fact that the final negotiated CPIF price is less than the amount claimed in Contractor's Accumulative Claim and Reconciliation. This is due to the fact that the Government Representatives negotiated the final claim downward. The Contractor's final release and final invoice are in agreement with the Government Audit Report and with the final settlement agreement signed by both parties.



Contracting Officer

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